

GAO

Report to the Chairman, Subcommittee  
on Investigations and Oversight,  
Committee on Public Works and  
Transportation, House of  
Representatives

November 1992

AVIATION SAFETY

Increased Oversight of  
Foreign Carriers  
Needed



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**Resources, Community, and  
Economic Development Division****B-250303****November 20, 1992**

**The Honorable Robert A. Borski  
Chairman, Subcommittee on  
Investigations and Oversight  
Committee on Public Works  
and Transportation  
House of Representatives**

**Dear Mr. Chairman:**

During a June 1991 hearing before your Subcommittee, you expressed concerns about foreign governments' capabilities to provide adequate oversight of foreign carriers that fly into the United States. During the hearing the Federal Aviation Administration (FAA) announced a new program to examine whether foreign civil aviation authorities are meeting their oversight responsibilities to ensure that their carriers comply with international safety standards. Subsequently, you asked us to examine the Department of Transportation's (DOT) licensing and FAA's implementation of the new program. Specifically, you asked us to determine the (1) status and findings of FAA's assessments of foreign countries' compliance with international standards, (2) manner in which FAA oversees already licensed foreign carriers from countries that FAA has found do not meet international standards, and (3) actions FAA has taken when it becomes aware of safety concerns with foreign carriers.

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**Results in Brief**

FAA's effort to determine whether other countries meet international standards is a positive safety initiative. FAA uses new carrier applicants as the basis for visiting foreign governments to assess their oversight capabilities. FAA found that 6 of the 15 countries visited thus far met or exceeded international standards and 9 did not provide oversight to ensure that their carriers meet international standards. As a result of FAA's assessments, DOT did not approve new carrier applications from those countries. Although DOT does not allow new carrier applicants from countries not meeting international standards to fly into the United States, already licensed carriers can because FAA believes the carriers have established safety records. Also, according to officials, FAA must be sensitive to potential retaliation by foreign governments against U.S. carriers. To ensure that carriers from countries not meeting international standards are safe, FAA officials said that they would increase inspection coverage, but FAA has not stipulated the nature of inspections to be

performed, frequency of inspections, or when they should occur. When FAA performs inspections, they are primarily limited to examining aircraft markings, pilot licenses, and airworthiness certificates.

However, FAA guidance permits the agency to more closely inspect foreign carriers when FAA finds, or is told about, serious safety concerns. In three cases involving foreign aircraft from three different countries, FAA inspectors observed serious safety deficiencies, primarily involving cracks and corrosion affecting the aircrafts' structural integrity. FAA took action to remove the aircraft from service but made no subsequent attempt to determine whether other aircraft operated by the carriers were safe.

In another instance, however, FAA did not act promptly when it became aware of serious safety concerns. Canada found safety deficiencies with some Mexican aircraft as a result of in-depth inspections. Canada notified FAA that specific aircraft did not meet international standards, but FAA did not alert its field offices to increase surveillance until 2-1/2 months later, after four serious incidents involving the carrier occurred in the United States. In addition, FAA did not more closely inspect the carrier to ascertain whether unsafe conditions similar to those found in Canada existed in the carrier's U.S. operations.

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## Background

In 1944, representatives of 52 countries met in Chicago to create a framework for international cooperation in developing civil aviation. The representatives signed the Convention on International Civil Aviation, commonly called the "Chicago Convention," and created the International Civil Aviation Organization (ICAO). Over the years ICAO developed and adopted 18 technical annexes to the Chicago Convention, involving such varied fields as aeronautical communications, meteorology, airworthiness, operations, environmental protection, and security. The annexes contain standards that member countries must meet and that are intended to produce a degree of technical uniformity that enables international civil aviation to function in a safe, orderly, and efficient manner. ICAO standards represent the minimum that each member country and carrier must meet. As of September 1992, 173 countries had signed the Chicago Convention and agreed to meet these standards.

One requirement of the Chicago Convention is that member countries recognize as valid other members' airworthiness certificates and licenses, as long as the issuing country certifies that it meets international standards. If a foreign carrier wants to fly into the United States, it must

obtain authority from its own government and obtain licensing approval from DOT and approval of its operating conditions from FAA. To obtain DOT approval, the carrier must provide information about its homeland license, management, insurance, operating history, aircraft, maintenance, and finances. From the information provided, DOT must, by law, determine whether the carrier is "fit, willing, and able" to operate in the United States. As part of its decision, DOT asks FAA whether any safety concerns about the carrier exist. FAA approves the conditions (equipment to be used, aircraft takeoff and landing weight, runway and taxi limitations) under which the carrier can operate in the United States. According to an FAA official, about 2 percent of FAA's approximately 2,500 field inspectors (as of July 31, 1992) were dedicated to examining foreign air carriers.

According to DOT officials and documents, about 300 carriers from 94 countries were licensed to fly into the United States as of September 1992. Carriers from an additional three countries have recently applied for licenses. In 1990 and 1991, about 180 carriers used large aircraft and flew to and from U.S. cities almost 650,000 times, averaging about 900 flights per day.<sup>1</sup> Data are not available for foreign carriers that use only small aircraft because DOT does not require them to report on their operations.

## FAA Found That Some Foreign Countries Do Not Meet International Standards

During the June 1991 hearing, the Associate Administrator for Regulation and Certification announced FAA's new program and said that FAA intended to focus on foreign country oversight because not all foreign authorities actively monitor their carrier operations. In August 1991, FAA began assessing foreign countries to determine whether they meet international standards. Before FAA started assessing countries, DOT, in accordance with international agreements, relied on and accepted an applicant's home government license as evidence that the carrier could operate safely in the United States. In effect, DOT operated on the premise that all signatories to the Chicago Convention complied with international standards.

FAA assesses whether a country adheres to international standards when a new carrier from that country applies for a license to operate in the United States. FAA has visited countries located in Central and South America, Africa, the Caribbean, and the Pacific Rim. FAA found that 6 of the 15 countries visited thus far met or exceeded international standards. The remaining 9 countries did not meet international standards. FAA found such deficiencies as no operations or airworthiness inspectors; no aviation

<sup>1</sup>Large aircraft are designed to have more than 60 passenger seats or a payload of more than 18,000 pounds.

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regulations, handbooks, or guidance; no technical expertise to carry out a certification and surveillance program; a lack of annual proficiency checks for pilots and crew; and insufficient inspector training.

As a result of FAA's assessments, DOT did not approve any new carrier applications from countries that FAA found did not comply with international standards. Subsequently, DOT granted an applicant from one of the countries authority to operate in the United States after FAA approved the carrier's alternative arrangement for obtaining required oversight.

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## FAA Surveillance of Licensed Carriers From Countries Not Meeting Standards

Although DOT has not approved new carrier applications from countries that do not meet international standards, FAA generally allows licensed carriers from those countries to continue flying into the United States. FAA believes that these carriers have established safety records and that it would be unfair to stop them from flying into this country because their governments do not provide oversight. Although FAA can increase its oversight when safety problems exist, FAA officials told us that their actions in the international arena must be consistent with the Chicago Convention and must be sensitive to potential retaliation by foreign governments against U.S. carriers.

In accordance with the Chicago Convention, FAA guidance allows it to perform routine inspections of foreign carriers that consist of examining aircraft markings, airworthiness and registration certificates, and crew member certificates. FAA also reviews air traffic compliance, taxi and ramp procedures, enplaning/deplaning procedures, and baggage and cargo handling of foreign carriers that operate foreign-registered aircraft into the United States. For foreign carriers operating U.S.-registered aircraft, FAA can also examine U.S. Airman Certificates, the aircraft's U.S. Airworthiness Certificate, the maintenance program, and the aircraft's Minimum Equipment List.<sup>2</sup> FAA advises its inspectors to use tact and diplomacy when inspecting foreign carriers due to the sensitivities involved in foreign relations.

According to FAA officials, they are increasing the number of limited inspections of licensed carriers from countries not meeting international standards to compensate for the lack of home government oversight. The officials also said that FAA would provide technical assistance to those civil aviation authorities to address the deficiencies found. However, FAA has

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<sup>2</sup>For purposes of this report, we refer to these activities as limited inspections.

not stipulated the nature of inspections to be performed, frequency of inspections, or when the inspections should occur for carriers from countries that do not implement standards or for carriers that have serious safety problems. FAA's guidance states that inspectors should use "discretion and good judgement" in surveilling foreign carriers. Without more specific guidance, inspectors do not know the level of inspection coverage to provide foreign carriers relative to other priority work. FAA's inspection coverage of six licensed carriers from four countries that did not meet international standards varied.<sup>3</sup> We found that FAA inspected one carrier every month following its country's assessment but did not inspect the other five carriers in certain months following their country's assessment. For example, FAA did not inspect one carrier during 3 of the 5 months following its country's assessment. FAA inspected the carrier three and four times during the other 2 months.

In addition, under the Chicago Convention, when a foreign country does not meet international standards, other signatory nations are not obligated to accept its airworthiness certificates. This permits FAA to perform more comprehensive inspections of foreign carriers from those countries. A comprehensive inspection, such as those done for U.S. carriers, would include an examination of such areas as flight controls, fire protection, fuel, navigation, oxygen, and engine controls. However, FAA is not taking the initiative permissible under the Chicago Convention to conduct inspections of such foreign carriers. During 1991 and the first 6 months of 1992, FAA did not perform comprehensive inspections of any of the six carriers from four countries that did not meet international standards because FAA believes that such inspections are the home government's responsibility.

## FAA Has Additional Reasons to Perform Comprehensive Inspections

Although FAA's routine inspections of foreign carriers are limited, we found three instances in which FAA inspectors observed or had information about obvious safety deficiencies. Two of the deficiencies were discovered while FAA inspectors were walking around the aircraft during a limited inspection, and the third was identified by information received from a repair station. Because these deficiencies were serious and readily apparent, FAA had reason to perform comprehensive inspections of the

<sup>3</sup>We analyzed FAA inspection results from October 1989 through mid-June 1992. Of the other five countries that did not meet standards, three did not have licensed carriers that flew into the United States; FAA assessed the remaining two countries after providing us with its inspection data base.

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carriers' other aircraft, as permitted by FAA guidance and the Chicago Convention.<sup>4</sup> However, FAA did not do so.

First, between March 27 and April 13, 1992, an FAA inspector observed serious structural problems on a foreign aircraft. These deficiencies included corrosion under both wings, rivet heads missing from the fuselage skin, and dented and gouged skin under two engines. This aircraft flew into the United States over a 2-week period after the FAA inspector identified the immediate need to remove the aircraft from service. FAA inspectors did not immediately remove the aircraft from service because they were unsure about the extent of the corrosion problems. Because the carrier did not voluntarily remove the aircraft from service for repairs, FAA worked with the carrier's home government to remove the aircraft from service.

Second, in March 1990 an FAA inspector found structural integrity problems on another foreign aircraft, rendering it not airworthy. FAA worked with the foreign carrier to remove the aircraft from service. FAA performed a limited inspection of the carrier's replacement aircraft on January 2, 1991, and found it not airworthy. FAA made these observations while the carrier was deplaning passengers. The carrier grounded the aircraft and agreed to correct the problems. After the carrier had the aircraft repaired, FAA observed it on January 30, 1991, just as the carrier was about to begin boarding passengers. Again, FAA found the aircraft not airworthy, and the carrier again grounded the aircraft. FAA met with the carrier's top management, who accepted FAA's advice on the repair and maintenance of the aircraft. Furthermore, the carrier dedicated personnel to overseeing aircraft maintenance.

Third, in September 1990, FAA inspectors received information from a repair station that a foreign carrier had serious safety problems. The problems included numerous instances of cracks in and corrosion of critical parts, which demonstrated the aircraft was not airworthy. Many parts were held together solely with speed tape. A main fuselage joint was severely corroded as well as the aircraft's skin. Also, the repair station found many loose rivets and fasteners throughout the aircraft. After the safety problems were brought to FAA's attention, the agency contacted the foreign civil aviation authority, who had the aircraft removed from the United States.

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<sup>4</sup>FAA guidance calls for limited inspections in most instances. However, the guidance does not rule out in-depth inspections when the carrier agrees, the home government approves, or safety requires them.



Moreover, FAA has not yet assessed the home governments of two of the three carriers to determine whether they comply with international standards. Of the two countries not yet assessed, one has five other licensed carriers currently flying into the United States. Because a new carrier from this country recently applied to DOT for a license, FAA will be assessing that country's oversight capabilities. The second country has no other carriers and no applicants, but the existing carrier has other aircraft that fly into the United States. FAA assessed the third country about 18 months after it received information about the carrier's safety problems and found that the home government meets international standards. FAA performed this country's assessment because a new carrier applied for a license to fly into the United States. FAA plans to assess countries that have pending applications rather than those countries with carriers that have serious safety problems.

With the exception of the aircraft discussed in the examples provided, FAA did not inspect other aircraft operated by these three carriers. The three carriers had at least seven other aircraft that flew into the United States. Rather, FAA's approach is to first deal with the operator to resolve the problems, and, if unsuccessful, bring the concerns to the attention of the home government.

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### **FAA Did Not Adequately Inspect a Carrier That Canada Found Did Not Meet International Standards**

In January 1992, the Canadian Transport Ministry suspended the Boeing 727 aircraft operations of the Mexican carrier Transportes Aereos Ejectivos, S.A. de C.V., (TAESA) because the operations were contrary to international standards. Canada found that these aircraft were "being operated in such a manner that an immediate threat to safety exists or is likely to occur as a result of such operation." In April 1992, the Canadian Transport Ministry suspended all of TAESA's Canadian operations because the carrier did not correct identified deficiencies. Canada worked with the Mexican government to address these concerns and in May 1992 provisionally reinstated TAESA operations, except for its 727 passenger flights, which are still suspended.

The Canadian government notified FAA headquarters in January 1992 about its detailed inspection findings and suspension of TAESA's 727 operations. In turn, FAA headquarters alerted its Dallas/Fort Worth Flight Standards District Office—the primary office responsible for overseeing TAESA's U.S. operations. In 1992, TAESA flew into various U.S. cities such as Boston, Cincinnati, Cleveland, Las Vegas, New York, Pittsburgh, and Seattle under the jurisdiction of other FAA field offices. However, the Dallas/Fort Worth

Field Office did not notify these other field offices to monitor TAESA until mid-April of 1992, 2-1/2 months after the initial Canadian suspension. An FAA Dallas/Fort Worth supervisor told us that the other field offices should have been notified sooner. Between February and April 1992, TAESA had four serious safety problems in the United States, including failing to maintain adequate separation with oncoming air traffic and barely clearing the treetops during a takeoff.

Between January and May 1992, FAA's field offices conducted 28 inspections of TAESA aircraft; 24 occurred after FAA field offices were notified in mid-April about the concerns regarding TAESA. All 28 inspections were generally limited to those items specified in FAA's program guidance, and some safety problems were detected. In addition, unlike the Canadian aviation authority, FAA did not accept TAESA's invitation to perform enroute inspections, which provide a more comprehensive assessment of the carrier because operations and crew performance are observed during flight. FAA headquarters believes that enroute inspections should generally be performed by a carrier's home government and is concerned that other governments may want to conduct similar inspections of U.S. carriers. (App. I describes TAESA's safety problems and FAA's response in more detail.)

## Conclusions

FAA's program to determine whether countries comply with international standards is a positive step toward improving safety. However, FAA's assessments have shown that some foreign countries are not providing oversight to ensure that their air carriers operate in accordance with international standards. Although FAA has attempted to fill the void in oversight by performing increased inspections of some carriers, its inspections are not as comprehensive as they could be. In addition, FAA has not defined the nature or frequency of comprehensive inspections that its field offices should perform when a country does not provide the required oversight and when a foreign air carrier has serious safety problems. These gaps in safety coverage of foreign carriers increase the potential for unsafe aircraft to enter or operate in the United States.

Foreign aircraft that were not airworthy and were structurally deficient have entered the United States. In three cases, FAA became aware of some seriously deficient aircraft and removed them from service but did not examine the carriers' other aircraft. In another case, FAA did not act promptly to notify its field offices to increase surveillance of TAESA until four serious incidents occurred in the United States and did not perform

in-depth inspections even though the agency was aware of serious safety problems. Furthermore, FAA has not given priority to assessing countries whose carriers have been found to have serious safety problems. Although we recognize that FAA's country and carrier assessments are sensitive and require tact and diplomacy because foreign countries could retaliate against U.S. carriers, FAA must take the actions allowed by U.S. and international law to ensure that aircraft operating in this country are safe.

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## Recommendations

We recommend that the Secretary of Transportation direct the Administrator, FAA, to take the following steps:

- Require its field offices to perform comprehensive inspections of foreign air carriers that fly into the United States when FAA (1) finds that their home governments do not comply with international standards and/or (2) becomes aware that the carrier has serious safety problems. These inspections should continue until FAA determines that the home government meets international standards and that the carrier is operating safely. FAA should also specify the nature, frequency, and timing of these inspections.
- Give priority to assessing the oversight capabilities of those countries that FAA determines have one or more carriers with serious safety problems and work with the countries to ensure that their oversight capabilities are sound.
- Promptly notify all relevant field offices of serious safety concerns about foreign carriers.

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## Agency Comments

As requested, we did not obtain written agency comments on a draft of this report. We did, however, discuss the findings and recommendations with FAA's Director and Deputy Director, Flight Standards, and other officials. These officials generally agreed with the facts and said that the recommendations were reasonable and represented further possible improvements in their program. However, Flight Standards officials asked us to elaborate on the types of inspections that we would like them to perform. We explained that FAA is best qualified to determine the extent to which it should inspect a carrier to determine safety. We pointed out that FAA could use U.S. carrier inspections as a guide for more thorough examinations when it (1) allows licensed carriers from countries not meeting international standards to continue flying into the United States and (2) finds serious safety problems.

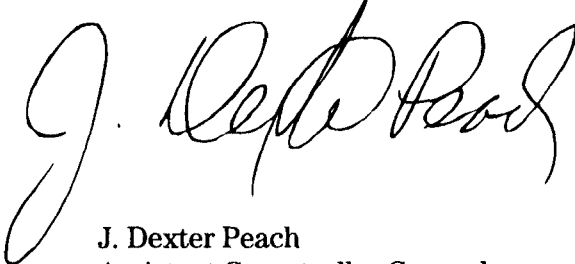
Flight Standards officials emphasized that their efforts to determine whether countries meet international standards represent an unprecedented initiative to ensure the safety of foreign carriers. The officials also strongly emphasized that they must work cooperatively within the international community and that doing so requires a great deal of tact and diplomacy. Further, FAA officials said that they would like the country assessment program to evolve into using multinational teams for the assessments. Finally, the officials told us that the FAA Administrator planned to urge member countries during the next ICAO meeting to reaffirm their safety oversight obligations. On September 23, 1992, the FAA Administrator urged ICAO to undertake a study to understand the nature and severity of worldwide safety oversight deficiencies and to explore possibilities for implementing long-term improvements.

We also discussed our findings and recommendations with DOT's Foreign Carrier Licensing Division Chief. This official provided some technical clarifications but did not offer any comment on the recommendations since they were directed at FAA.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies to the Secretary of Transportation; the Administrator of FAA; and the Director, Office of Management and Budget. We will make copies available to others upon request.

Details on our objectives, scope, and methodology are contained in appendix II. This work was performed under the direction of Kenneth M. Mead, Director, Transportation Issues, who can be reached at (202) 275-1000. Major contributors to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Dexter Peach". The signature is fluid and cursive, with a large initial "J" and a stylized "P" and "A" at the end.

J. Dexter Peach  
Assistant Comptroller General



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## Abbreviations

DOT	Department of Transportation
FAA	Federal Aviation Administration
GAO	General Accounting Office
ICAO	International Civil Aviation Organization
TAESA	Transportes Aereos Ejectivos, S.A. de C.V.



# TAESA's Safety Problems and FAA's Response

In January 1992, the Canadian Transport Ministry suspended the operation of Transportes Aereos Ejectivos, S.A. de C.V.'s (TAESA) Boeing 727 aircraft because they were "being operated in such a manner that an immediate threat to safety exists or is likely to occur as a result of such operation." Canadian inspectors found that TAESA operated its 727 aircraft contrary to international standards. For example, TAESA did not have (1) sufficient supplies of portable oxygen for flight attendants in the event of a loss of pressurization, (2) manuals containing emergency safety equipment checklists and duties assigned each crew member, (3) operations manuals, (4) adequate restraints for galley equipment to prevent injuring passengers and damaging the aircraft, and (5) signs depicting the location of emergency safety equipment to aid the crew in assisting passengers in an emergency.

In April 1992, the Canadian Transport Ministry suspended the carrier's entire operations into Canada because TAESA did not correct identified deficiencies. During April and May 1992, Canada worked with the Mexican civil aviation authority to address its concerns with TAESA. In May 1992 Canada provisionally reinstated TAESA operations, except for its 727 passenger flights, but imposed such conditions as (1) requiring the Mexican civil aviation authority to verify the competency of the crew prior to departure and (2) requiring TAESA to have maintenance contracts or carry a licensed mechanic qualified on the aircraft type.

The Canadian government promptly notified the Federal Aviation Administration (FAA) in January 1992 about its detailed inspection findings and suspension of TAESA's 727 operating certificate. In turn, FAA headquarters alerted its Dallas/Fort Worth Flight Standards District Office—the primary office responsible for overseeing TAESA's U.S. operations. In 1992, TAESA flew into various U.S. cities—Boston, Cincinnati, Cleveland, Las Vegas, New York, Pittsburgh, and Seattle—under the jurisdiction of other FAA field offices. However, the Dallas/Fort Worth Field Office did not notify these other field offices to monitor TAESA until mid-April of 1992, 2-1/2 months after the initial Canadian suspension. An FAA Dallas/Fort Worth official told us that the other field offices should have been notified sooner.

TAESA experienced four serious safety problems in the United States between February and April 1992. At a New York airport, one aircraft hit the passenger walkway while moving away from the terminal. In another instance, a pilot failed to follow air traffic control instructions, and consequently did not maintain sufficient separation with oncoming traffic.



TAESA also experienced two separate instances of nearly overrunning the runway during takeoff at a New York airport. One aircraft barely cleared the treetops located at the airport boundary. Another aircraft lifted off at the end of the runway, blowing up dirt and debris that, according to FAA, indicated poor preflight preparation.

FAA performed 28 inspections of TAESA aircraft between January and May 1992. Of these, FAA field offices in Teterboro, New Jersey; Valley Stream, New York; and Boston, Massachusetts; conducted 24 inspections from mid-April through May. These inspections were generally limited to those items specified in FAA's program guidance for routine foreign carrier inspections. FAA inspectors told us that they also made obvious observations about the aircraft's interior condition after TAESA pilots invited them on-board to look around. FAA identified 18 safety problems, including (1) the lack of medical kits and sufficient oxygen, (2) missing seat belts and life jackets, (3) no maintenance personnel assigned to check aircraft, and (4) improper use of weight and balance calculations.

FAA inspectors told us that they did not perform more inspections because TAESA primarily provides unscheduled service, making it difficult for FAA to plan surveillance. We found that in 1992 TAESA provided scheduled passenger service to Laredo, Texas, and the carrier itself invited FAA inspectors to perform more in-depth inspections of its aircraft. We asked FAA field inspectors why they did not inspect TAESA's scheduled flights, since TAESA reportedly flew 727 aircraft daily to Laredo. This was critical because the Canadians suspended the operations of 727s in January 1992. FAA inspectors said they were uncertain that TAESA would actually fly 727 aircraft when FAA planned inspections in Laredo. Subsequently, we reviewed data showing that TAESA used 727 aircraft for numerous passenger flights to Laredo between January and June 1992.

Between January and April 1992, TAESA invited both Canadian and FAA inspectors to perform enroute inspections on its aircraft, which would provide a more comprehensive assessment of the carrier by observing operations and crew performance during flight. Although the Canadians accepted, FAA headquarters declined because it believed that enroute inspections should generally be performed by the carrier's home government. An FAA team visited TAESA's facilities on April 28, 1992; according to team members, they identified maintenance and training deficiencies requiring follow-up surveillance. In a follow-up visit on August 26, 1992, FAA found that TAESA had made improvements. FAA noted, for

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**Appendix I**  
**TAESA's Safety Problems and FAA's**  
**Response**

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example, that TAESA and Boeing officials are developing a maintenance control system, and Boeing is training TAESA's maintenance personnel.

# Objectives, Scope, and Methodology

The Chairman, Subcommittee on Investigations and Oversight, House Committee on Public Works and Transportation, asked us to examine the Department of Transportation's (DOT) licensing and the Federal Aviation Administration's (FAA) oversight of foreign air carrier operations. Specifically, we were asked to determine the (1) status and findings of FAA's assessments of foreign countries' compliance with international standards, (2) manner in which FAA oversees already licensed foreign carriers from countries that FAA has found do not meet international standards, and (3) actions FAA has taken when it becomes aware of safety concerns with foreign carriers. Due to the sensitivities involved with foreign countries, we agreed with the Subcommittee not to name the countries or their air carriers in our report, except for the circumstances involving TAESA, which is a matter of public record.

We reviewed international aviation law and discussed it with DOT and FAA headquarters officials in Washington, D.C., and International Civil Aviation Organization (ICAO) headquarters officials in Montreal, Canada. We also reviewed U.S. aviation laws and DOT and FAA regulations, policies, and procedures governing foreign air carriers. To determine the status and findings of FAA's assessments of foreign countries' compliance with international standards, we examined FAA's trip reports and related documents assessing civil aviation authority oversight. We discussed country assessments with FAA headquarters and New York and Dallas/Fort Worth field office officials to understand their conclusions. Also, we interviewed DOT and FAA headquarters officials responsible for foreign carrier licensing and oversight and obtained pertinent documents to determine the manner in which DOT and FAA coordinate the results of country assessments and their effect on new carrier applicants.

To determine the (1) manner in which FAA oversees foreign carriers from countries that do not meet international standards and (2) actions FAA has taken when it becomes aware of safety concerns with foreign carriers, we analyzed FAA inspection records for foreign carriers entering the United States in fiscal years 1990, 1991, and 1992 (through June 16, 1992). We also analyzed DOT's Research and Special Programs Administration flight data for calendar years 1990, 1991, and 1992 (through June 30, 1992) to determine the frequency with which foreign carriers fly into the United States. We discussed FAA inspection results with inspectors in district offices in Florida, New York, and Texas. We interviewed Transport Canada headquarters officials in Ottawa, Canada, about their inspections of TAESA and related communications with FAA. We reviewed and obtained Transport Canada's documentation related to TAESA.

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**Appendix II**  
**Objectives, Scope, and Methodology**

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**We conducted our work from January to September 1992 in accordance with generally accepted government auditing standards.**

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# Major Contributors to This Report

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Resources,  
Community, and  
Economic  
Development Division,  
Washington, D.C.

John H. Anderson, Jr., Associate Director  
Mary Ann Kruslicky, Assistant Director  
Roy K. Judy, Assignment Manager

---

Philadelphia Regional  
Office

Joseph A. Kredatus, Evaluator-in-Charge  
Rosalyn G. Millman, Evaluator  
James J. Ungvarsky, Evaluator



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